



# MIHU Report

September 2019

Department of Housing and Community Development

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## **PROGRAM SUMMARY**

Welcome to the MIHU Monthly Report. The report is posted monthly on the County website at [www.howardcountymd.gov/Housing\\_publications](http://www.howardcountymd.gov/Housing_publications).

The MIHU Program is an inclusionary zoning program that requires developers of new housing in specific zoning districts to sell or rent a portion of the dwelling units to households of moderate income. MIHUs are sold or rented through Howard County Housing at affordable prices and rents. MIHUs are interspersed throughout each development and residents enjoy all the amenities in the community.

A household of moderate income is defined as one whose household income does not exceed 80% of the Howard County median income for purchasers and 60% of the Howard County median income for renters. The Howard County median income for 2019 is \$111,473. All types of dwelling units are available for purchase or rent, from apartment-style dwellings and condominiums, to townhouses and single-family detached dwellings. The purchase price and rental rate for each type of MIHU is calculated according to an affordability formula established by the MIHU regulations. MIHU prices are set twice a year. Applications for the program can be obtained during open enrollment periods at the Howard County Housing office, by calling (410) 313-6318 or online at [www.howardcountymd.gov/MIHU\\_openenrollment](http://www.howardcountymd.gov/MIHU_openenrollment). Rental applications are accepted year-round on a first-come, first-serve basis at the rental communities that offer MIHU apartments. Visit our website for a list of participating rental communities.

MIHU pricing effective for July 1, 2019 – December 31, 2019 is available. Pricing and standards are posted publicly, and available by contacting the office or by visiting our website: [www.howardcountymd.gov/mihu\\_developer](http://www.howardcountymd.gov/mihu_developer). Rental rates and participating rental community contact information is also available by phone, email, or on the department website.

In September, Dartmoor Place in Oxford Square leased all 39 MIHUs within 60 days of accepting applications. For Homeownership, four MIHUs closed in three communities: Morris Place, Oxford Square/Exeter Park and Trotters Knoll; two MIHU candidates executed contracts for purchase in Oxford Square/Exeter Park and three additional units were awarded at Oxford Square/Exeter Park. DHCD staff expects to award the three remaining units under priority period in Oxford Square/Exeter Park by the end of October to complete the outstanding priority period requirements for calendar year 2019.

DHCD staff attended the Howard County Public Schools (HCPSS) Community Kick-Off on September 24th. Each year, HCPSS hosts this event to share goals and objectives for the new school year and to thank partners for continued support. This event also serves as a platform to network and discuss the MIHU program. Introductions made to HCPSS staff, leadership, and corporate and community representatives will be exhausted in efforts to develop new partnerships.

October is the next open enrollment month for the MIHU homeownership program. Several MIHU information sessions will be scheduled in October. Additional MIHU information is available by phone, on the website or by emailing Lisa Wiseman at [lwiseman@howardcountymd.gov](mailto:lwiseman@howardcountymd.gov).

*Lisa Wiseman*

Chief, Housing Opportunities Programs

## **MIHU RENTALS**

MIHU rental applications are available year-round and offered on a first come, first serve basis at participating communities. Dartmoor Place/Oxford Square has leased their required 39 MIHUs. Those units will be ready for occupancy beginning in December. Phase 2 of The Wexley @ 100 will begin leasing at the end of next year. Rent comparisons and occupancy information is below:

Development	Status	Total Units	On-site MIHUs	On-site LIHUs	Pending	Rented	Market Rent*	MIHU Rent	Difference
Aladdin South	C	39	39		0	39			
Alta at Regency Crest	C	150	15		0	15	\$2373	\$1324	\$1049
Annapolis Junction Town**	C	416	32		16	16	\$2007	\$1505	\$502
Ashbury Courts	C	156	24		0	24	\$1694	\$1324	\$370
Azure Oxford Square	C	248	38		0	38	\$2055	\$1324	\$735
Belmont Station	C	208	32		0	32	\$2007	\$1320	\$687
Brompton House 2**	C	193	9	9	0	18	\$2144	\$1312	\$832
Burgess Mill Station II	C	53	6		0	6	\$1675	\$1343	\$332
Dartmoor Place	C	258	39		0	39	\$2103	\$1343	\$760
Ellicott Gardens	C	106	103		0	103			
Howard Square Verde II**	C	344	35		0	35	\$1950	\$1324	\$626
Miller's Grant	C	286	29		16	13			
Mission Place	C	366	61		0	61	\$1800	\$1324	\$476
Oakland Place	C	16	2		0	2			
Orchard Meadows	C	150	15		0	15	\$1524	\$1343	\$181
Orchard Park	C	40	4		0	4	\$1924	\$1343	\$581
Parkview at Emerson	C	80	80		0	80			
Penniman Park	C	186	19		0	19	\$1801	\$1343	\$458
Riverwatch I**	C	84	42		0	42			
The Vine	C	283	43		0	43	\$2245	\$1312	\$933
The Wexley @100	UC	394	40		40	0			
Townes at Pine Orchard	C	71	7		0	7	\$2645	\$1296	\$1349
<b>TOTALS</b>		<b>4127</b>	<b>714</b>	<b>9</b>	<b>72</b>	<b>651</b>			

\*for 2-bedroom unit-as of July 2019

\*\*alternative compliance approved

Rental Communities with MIHU requirements to be built:

Development	Status	Total Units	On-site MIHU	On-site LIHU Requirement	Pending	Rented
Beechcrest	PC	64	33		33	0
Corridor Square	PC	250	38		38	0
Deep Falls	PC	80	55		55	0
Riverwatch II	PC	58	33		33	0
<b>TOTALS</b>		<b>452</b>	<b>159</b>		<b>126</b>	<b>0</b>

Annual audits of the MIHU rental communities are completed and Mission Place continues to correct their deficiencies. Due to change in leasing staff, Azure at Oxford Square was granted an extension to respond to audit findings. Their corrections are due in October.

## **MIHU HOMEOWNERSHIP SUMMARY**

**MIHU Properties Pending Award in September:** Oxford Square/Exeter Park (3); Oxford Square/River Overlook (1), The Yard (2), Trotters Knoll (2)

**MIHU Buyers Under Contract and Pending Settlement in September:** Oxford Square/Exeter Park (2)

MIHU Developments	Status	Total Units	MIHUs Required	LIHUs Required	Under Contract	Released to Builder	Closed 2007-2018	Closed 2019
Belmont Station	C	110	17	0	0	0	17	0
Delacour at Bluestream	PC	180	34	0	0	0	0	0
Cherry Tree Townhomes	C	110	17	0	0	0	17	0
Dorset Gardens at Bluestream	C	230	44	0	0	16	28	0
Elkridge Crossing Condos**	C	56	18	0	0	4	10	0
Elkridge Crossing Townhomes**	UC	208	19	0	0	1	7	0
Ellicott Crossing	C	154	16	0	0	0	16	0
Fox Hunt Estates	C	32	4	0	0	0	4	0
Foxwood Manor	C	37	5	0	0	0	5	0
Gatherings at Ellicott Mills Condo**	C	127	10	1	0	4	7	0
Gatherings at Jefferson Pl. Condo**	C	135	14	0	0	5	9	0
Guilford Mews	C	26	3	0	0	3	0	0
Howard Square**	C	413	55	0	0	0	51	0
Joseph's Courtyard	C	24	0	1	0	0	1	0
Jones Station	C	22	3	0	0	3	0	0
Laurel Park Station	PC	220	34	0	0	0	0	0
Legacy at Cherry Tree Condo**	C	152	4	3	0	0	7	0
Long Gate Overlook**	PC	79	0	5	0	0	0	0
Magnolia Manor	PC	59	3	0	0	0	0	0
Morris Place**	C	175	28	0	0	24	2	2
Oxford Square/Folly Bridge/Springdale	C	197	31	0	0	2	29	0
Oxford Square/Exeter Park Condos	UC	180	31	0	2	0	15	7
Oxford Square/River Overlook	UC	126	19	0	0	0	6	5
Oxford Square/The Yard	UC	56	9	0	0	0	0	0
Riverwalk	C	58	6	0	0	0	6	0
Shipley's Grant	C	464	21	0	0	0	16	5
Simpson Mill**	C	150	0	5	0	0	5	0
St Charles Woods	PC	22	0	1	0	0	0	0
Trotter's Knoll	UC	77	8	0	0	0	0	1
Waverly Grove	C	30	3	0	0	0	1	2
Village Towns	C	259	23	0	0	2	14	0
TOTALS		4168	479	16	2	64	273	22
** alternative compliance approved		PC-Pending Construction		UC-Under Construction		C-Complete		

## **TRACKING – RESALES and RELEASES**

MIHU homes are perpetually affordable. In other words, once the units are designated as MIHUs, they remain in the program in perpetuity. When a builder requests a priority period for new MIHUs, the Department has 120 days to find eligible buyers to purchase the MIHUs. In the event the Department does not provide an eligible buyer within the priority period, the unit is released to the builder to be sold at market rate. When units are sold at market rate as a non-MIHU, the builder is required to split the net proceeds with the County 50/50. Upon receipt of the net proceeds, the department will execute a release of the unit from the program.

A similar process occurs for MIHU resales. When an MIHU homeowner contacts the Department to request a resale price, a 120-day priority period begins to find an eligible buyer for the home. If the home is not awarded within the priority period, the homeowner may sell the home at market rate as a non-MIHU and split their proceeds with the net proceeds with the County 50/50. The Department continues to update the database and increase marketing efforts to identify income eligible, mortgage ready candidates for new and resale units.

A unit at Fox Hunt Estates was sold at a foreclosure sale in April 2019. The County filed a motion to set aside the foreclosure sale, but the motion was denied. The County then petitioned the Court to receive the excess proceeds from the sale. The sale should be finalized in February 2020. This is a rare occurrence for MIHU homes. The Department works with homeowners facing challenging circumstances to try to avoid foreclosure as often as possible.

<b>Community</b>	<b>Re-Sales Closed 2013 - YTD 2018</b>	<b>Released from MIHU Program</b>	<b>Re-Sales Closed in 2019</b>	<b>Totals</b>
Belmont Station	1	2	0	3
Cherry Tree Townhomes	1	0	2	3
Dorset Gardens at Bluestream	2	0	0	2
Elkridge Crossing Condo	6	0	0	6
Elkridge Crossing Townhomes	0	1	0	1
Ellicott Crossing	3	0	1	4
Fox Hunt Estates	0	1	0	1
Gatherings at Ellicott Mills	0	1	0	1
Howard Square	1	0	1	2
Legacy at Cherry Tree	2	0	0	2
Oxford Square - Exeter Park	0	0	1	1
Oxford Square - Folly Bridge Springdale	0	2	0	2
Riverwalk	1	1	0	2
Shipley's Grant	3	0	0	3
Village Towns	2	0	0	2
<b>Totals</b>	<b>22</b>	<b>8</b>	<b>5</b>	<b>35</b>

## **MIHU FEE IN LIEU**

One method of alternative compliance is a fee-in-lieu option. Developers of single family, detached dwellings may pay a fee-in-lieu instead of providing MIHUs in the following zoning districts: RC, RR, R-ED, R-20, R-12, and R-SC. Developers of age-restricted, planned senior communities, single family attached dwellings in R-H-ED and mixed-use developments in MXD are also eligible for the fee-in-lieu option. Developers contact the Department for an MIHU agreement when they receive a Technically Complete letter from Planning and Zoning.

The County's Department of Inspections, Licenses and Permits collects the fee in lieu. Our Department is tracking this information to comply with the legislation's reporting requirements and to determine potential revenue for affordable housing units and programs. The Department has signed fee in lieu agreements for 215 units in 18 developments through September 2019.

<b>Development</b>	<b>Zip Code</b>	<b>Zoning</b>	<b>New Lots</b>	<b>Agreement Signed</b>
Meadowridge View	21075	R-SC	8	9/4/19
Sunset Plains	21043	R-20	1	9/4/19
Cunningham Property	21042	RC-DEO	3	9/11/19
Bounds Property	20723	R-SC	1	9/11/19
Baughan Property	21075	R-ED	3	9/23/19
Patapsco Crossing	21043	R-20	38	9/26/19

Section 13.402C(e)(8) of the County Code requires the Department to provide a detailed annual report to the Council of each collection and expenditure of all MIHU fee-in-lieu funds for the prior calendar year by February 1<sup>st</sup>. Because fee-in-lieu revenues are committed when an MIHU agreement is signed, but not paid until a building permit is issued, the fees from these projects may or may not be collected in the same year that the agreements are signed. This letter was submitted to the County Council on January 17, 2019. The report is posted on the Department's website at [www.howardcountymd.gov](http://www.howardcountymd.gov).

The Department will continue to use MIHU fee-in-lieu funds for SDLP and Workforce Initiative loans in FY20. In addition, \$400,000 in MIHU fee-in-lieu funds was awarded to 5 local non-profits on July 1st to engage in a continued and collaborative effort to promote the availability of affordable housing options in the County.